

REMARKS/ARGUMENTS

Claims 1, 3, 5-37, 39-41, 43-52, 54-56, 58-63, 65 and 67-92 remain in the application. Claim 66 is hereby canceled without prejudice. The examiner rejected claims 1, 3, 5-37, 39-41, 43-52, 54-56, 58-63 and 65-92 in the final Office Action mailed August 2, 2007 (hereinafter referred to as "Office Action").

It is believed that no fees are due at this time. In view of the following remarks and amendments, applicant respectfully request a timely Notice of Allowance be issued in this case.

Claim Objections

Claims 1, 3, 5-37, 39-41, 43-52, 54-56, 58-63 and 65-92 were objected to because the terms "controller" and "processor" are used interchangeably in the specification. Applicant respectfully submits that the foregoing amendments (i.e., "controller" to "control circuit") to these claims are supported in the specification, fully responsive and overcome the objections. Reconsideration and removal of the objections are respectfully requested.

Claim Rejections under 35 U.S.C. § 103(a)

Claims 1, 3, 5, 9, 11, 14-41, 43-44, 46-52, 54-56, 58-63, 65-67, 71, 73, 76-86 and 88-92 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen. In addition, claims 23 and 85 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Publication No. 20020194476 to Lewis. Claims 24 and 86 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Patent No. 6,434,403 to Ausems. Claims 25 and 87 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Publication No. 20030046228 to Berney. In addition, claims 6 and 68 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Patent No. 5,168,275 to Harrison. Moreover, claims 7 and 69 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Patent No. 6,169,929 to Izzo. Furthermore, claims 12-13 and 74-75 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Patent No. 5,040,223 to Kamiya. Claims 17, 19-20, 44, 61, 79 and 82 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Patent No.

7,046,746 to Keaney, and also further in view of the “Smart Cards” article by Kisner. Finally, claims 8, 10, 24, 70, 72 and 82 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,907,142 to Kelsey in view of U.S. Patent No. 6,547,130 to Shen and further in view of U.S. Patent No. 5,943,624 to Fox and U.S. Patent No. 6,507,130 to Thuringer.

Applicant respectfully submits that claims 1, 3, 5-37, 39-41, 43-52, 54-56, 58-63, 65 and 67-92, as amended, are patentable over the cited references for at least the reasons described below.

Claims 1, 31, 46 and 60

In order to establish a prima facie case of obviousness, the prior art or combined references must teach or suggest all the claim limitations. MPEP § 2143; *In re Vacek*, 947 F.2d 488 (Fed. Cir. 1991). With respect to claims 1, 31, 46 and 60, as amended, applicant respectfully submits that Kelsey and Shen, either alone or in combination, do not disclose, teach or suggest “a control circuit disposed within the substrate that is connected to the one or more induction coils and operable to ***generate a time-varying magnetic signal*** via the one or more induction coils and the magnetic stripe.”

U.S. Patent Application Publication 20010011684 to Krause discloses that “the spatial pattern on magnetic stripes is well known to be useful for encoding said stripes with digital information relating to the function of the cards containing such stripes” ([0031], lines 2-5). The “spatial arrangement of the conductor contains important information” ([0029], lines 3-4). As shown in Figure 6, “[a] single wire 64 is formed into a pattern of right angles forming a particular spatial pattern” ([0031], lines 10-11) such as the character “1001” ([0031], lines 27-29). Krause, therefore, discloses the use of transducers to provide “spatially varying magnetic fields . . . to ‘write’ data to a magnetic stripe” ([0032], lines 2-5). Except for the strength of the magnetic field used, this is how data is permanently recorded on the magnetic stripe of normal credit cards ([0028], lines 5-8). In other words, the magnetic stripe of normal credit cards provides a spatially varying magnetic field. Krause fails to disclose, teach or suggest the generation of a time-varying magnetic signal as recited in claims 1, 31, 46 and 60.

U.S. Patent No. 5,907,142 to Kelsey discloses a “[m]agnetic stripe 32 as commonly used in credit and debit cards [that] stores information which can be read by point-of-sale card readers, automatic tellers and the like” (col. 5, lines 24-27). One embodiment discloses “an internal transducer positioned over the magnetic stripe which is capable of altering or activating the magnetic stripe” (col. 3, line 66-col. 4, line 2). The transducer 36 focuses a magnetic field over a portion of the magnetic stripe so that the card can be read (col. 6, lines 44-47 and 60-62). The activated portion of the magnetic stripe “contains the relevant account information” (col. 6, lines 60-62). As a result, Kelsey’s magnetic stripe provides a spatially varying magnetic field.

U.S. Patent No. 6,547,130 to Shen discloses the use of a fingerprint sensor 12 to activate a card reader interface 13 (col. 1, lines 38-41; col. 2, line 61-col. 3, line 4). The card reader interface is not defined or described.

As a result, the cited references only disclose the use of spatially varying magnetic fields. The cited references, therefore, do not disclose, teach or suggest “a control circuit disposed within the substrate that is connected to the one or more induction coils and operable to **generate a time-varying magnetic signal** via the one or more induction coils and the magnetic stripe” as recited in claims 1, 31, 46 and 60.

Moreover, applicant respectfully submits that it would not be obvious to modify the cited references to generate a time-varying magnetic signal because such a modification “would change the principle of operation of the prior art invention being modified” (MPEP § 2143.01 (VI)). As a result, “the teachings of the references are not sufficient to render the claims *prima facie* obvious” (MPEP § 2143.01 (VI)).

For all the foregoing reasons, applicant respectfully submits that claims 1, 31, 46 and 60 are, therefore, allowable under 35 U.S.C. § 103(a). Accordingly, applicant respectfully requests that the rejection of claims 1, 31, 46 and 60 be withdrawn.

Claims 3, 5-30, 32-37, 39-41, 43-45, 47-52, 54-56, 58-59, 61-63 and 65-92

Once an independent claim is found to be non-obvious under 35 U.S.C. § 103, then any claim which depends from that independent claim is also non-obvious. MPEP § 2143.03; *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988). Applicant respectfully submits that claims 3, 5-30, 32-37, 39-41, 43-45, 47-52, 54-56, 58-59, 61-63, 65 and 67-92 depend from claims 1, 31, 46 and 60, as amended, which are allowable for the reasons stated above, and further distinguish over the cited references. Claims 3, 5-30, 32-37, 39-41, 43-45, 47-52, 54-56, 58-59, 61-63, 65 and 67-92 are, therefore, allowable under 35 U.S.C. § 103(a). Accordingly, applicant respectfully requests that the rejection of claims 3, 5-30, 32-37, 39-41, 43-45, 47-52, 54-56, 58-59, 61-63, 65 and 67-92 be withdrawn.

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Appl. No. 10/680,050
Amdt. dated Oct. 2, 2007
Reply to Office action of Aug. 2, 2007

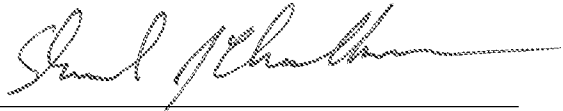
Conclusion

For the reasons set forth above, applicant respectfully requests reconsideration by the examiner and withdrawal of the rejections. Applicant submits that claims 1, 3, 5-37, 39-41, 43-52, 54-56, 58-63, 65 and 67-92, as amended, are fully patentable. Applicant respectfully requests that a timely Notice of Allowance be issued in this case. If the examiner has any questions or comments, or if further clarification is required, it is requested that the examiner contact the undersigned at the telephone number listed below.

Date: October 2, 2007

Respectfully submitted,

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